



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 4, 1999

H.R. 437

Presidential and Executive Office Financial Accountability Act of 1999

*As ordered reported by the House Committee on Government Reform
on February 3, 1999*

CBO estimates that, subject to the availability of appropriated funds, enacting H.R. 437 would increase costs of the Executive Office of the President (EOP) by no more than \$250,000 a year. The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. H.R. 437 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

H.R. 437 would require the President to appoint a chief financial officer (CFO) for the 12 agencies and offices that comprise the EOP. The bill would require the CFO to comply with those provisions of the CFO Act that the President determines to be appropriate and in the interest of the United States. Based on information provided by the Office of Management and Budget and the Office of Administration (OA), CBO expects that the President would appoint as CFO someone within the OA, which already provides centralized financial management and accounting services to the EOP. As a result of enacting H.R. 437, the OA might require an additional employee or two to coordinate activities within the EOP. In addition, the OA would need to contract with a private firm to audit the consolidated annual financial statements of the EOP. We estimate that the annual audit would cost around \$100,000.

In total, assuming no major problems exist in the financial management and systems of the EOP, CBO estimates that enacting H.R. 437 would increase annual costs of the OA by no more than \$250,000. In addition, it is possible that by improving financial systems and communication within the EOP, the legislation could lead to a reduction in losses from waste and abuse, but CBO cannot estimate the amount of such potential savings.

The CBO staff contact is John R. Righter. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.